

AMENDED IN SENATE SEPTEMBER 2, 2015

AMENDED IN SENATE SEPTEMBER 1, 2015

AMENDED IN SENATE JULY 9, 2015

AMENDED IN ASSEMBLY APRIL 8, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 401**

**Introduced by Assembly Member Dodd**

(Coauthor: Senator McGuire)

February 19, 2015

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An act to add Section 189.5 to the Water Code, relating to low-income water assistance.

### LEGISLATIVE COUNSEL'S DIGEST

AB 401, as amended, Dodd. Low-Income Water Rate Assistance Program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the Public Utilities Commission to consider, and authorizes the commission to implement, programs to provide rate relief for low-income ratepayers of a water corporation.

Existing law establishes the State Water Resources Control Board and the 9 California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. Existing law requires the state board to formulate and adopt state policy for water quality control.

This bill would require the state board, no later than January 1, ~~2017~~, 2018, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, which would include specified elements. The bill would permit the board to consider existing rate assistance programs authorized by the commission in developing the plan and would authorize the plan to include recommendations for other cost-effective methods of offering assistance to low-income water customers. The bill would require the state board, no later than February 1, ~~2017~~, 2018, to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action that may need to be taken.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 189.5 is added to the Water Code, to  
2 read:  
3 189.5. (a) This section shall be known, and may be cited, as  
4 the Low-Income Water Rate Assistance Act.  
5 (b) No later than January 1, ~~2017~~, 2018, the board, in  
6 collaboration with the State Board of Equalization and relevant  
7 stakeholders, shall develop a plan for the funding and  
8 implementation of the Low-Income Water Rate Assistance  
9 Program, which shall include all of the following elements:  
10 (1) A description of the method for collecting moneys to support  
11 and implement the program, including a discussion of any  
12 constitutional restrictions on public water agency ratesetting.  
13 (2) A description of the mechanism for providing funding  
14 assistance under the program through either direct credits to  
15 enrollees in the program or reimbursements to water service  
16 providers, including a method for verifying income eligibility of  
17 low-income ratepayers, clarification of the role of the Public  
18 Utilities Commission and water utilities in determining and  
19 verifying customer eligibility, and recommendations regarding the  
20 structure of the program, particularly whether it will be  
21 administered by the state or locally administered.

1 (3) A description of the method to be used to determine the  
2 amount of moneys that may need to be collected from water  
3 ratepayers to fund the program. The plan shall include a set of  
4 recommendations and best practices of cost-savings measures to  
5 ensure water utilities are demonstrating whether and how they are  
6 keeping rates low. This section does not authorize the imposition  
7 of a state charge to fund the program.

8 (c) In developing the plan required in subdivision (b), the board  
9 may consider the existing rate assistance programs authorized by  
10 the Public Utilities Commission for investor-owned water utilities  
11 pursuant to Section 739.8 of the Public Utilities Code.

12 (d) The plan may also include recommendations for other  
13 cost-effective methods of offering assistance to low-income water  
14 customers besides rate assistance, including billing alternatives,  
15 installation of water conservation devices, and leak repair. In  
16 considering other methods, the board may consider the Public  
17 Utilities Commission's "Assessment of Water Utility Low-Income  
18 Assistance Programs."

19 (e) (1) No later than February 1, ~~2017~~, 2018, the board shall  
20 report to the Legislature on its findings regarding the feasibility,  
21 financial stability, and desired structure of the program, including  
22 any recommendations for legislative action that may need to be  
23 taken.

24 (2) *The requirement for submitting a report imposed under this*  
25 *subdivision is inoperative on February 1, 2022, pursuant to Section*  
26 *10231.5 of the Government Code.*

27 (3) *A report to be submitted pursuant to this subdivision shall*  
28 *be submitted in compliance with Section 9795 of the Government*  
29 *Code.*

30 (f) For purposes of this section, the following terms have the  
31 following meanings:

32 (1) "Board" means the State Water Resources Control Board.

33 (2) "Low-income" means a household with income that is equal  
34 to or no greater than 200 percent of the federal poverty guideline  
35 level. For one-person households, program eligibility shall be  
36 based on two-person household guideline levels.

37 (3) "Program" means the Low-Income Water Rate Assistance  
38 Program.

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